



U.S. Department of Justice

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PRESS RELEASE

MURRAY RESIDENT SENTENCED TO 18 MONTHS IN FEDERAL PRISON FOR FILING FALSE TAX RETURNS, MAKING FALSE STATEMENT TO IRS

SALT LAKE CITY – Steven A. Pfeiffer of Murray, who pleaded guilty in federal court in September to filing a false tax return and making a false statement to the IRS, was sentenced Monday afternoon. Calling it “an egregious offense” that went on for many years, U.S. District Judge Ted Stewart sentenced Pfeiffer to 18 months in federal prison.

Judge Stewart, noting that the crime was motivated by what he called “simple greed,” also ordered Pfeiffer to pay \$196,340 in restitution and a \$20,000 fine. Pfeiffer will begin serving his sentence Jan. 24, 2011.

According to a plea agreement reached in the case, Pfeiffer was owner and operator of Pfeiffer Consulting Group (PCG) from 2002 through 2006. During those years, he under-reported PCG’s consulting income, and fabricated and inflated his consulting expenses to reduce the self-employment income he did report. He also admitted he reported false or fraudulent expenses for PCG during that period, including deducting business expenses that had been reimbursed by clients; claiming non-existent expenses for an accountant, rent, and commissions; and taking false

deductions for home office and employee business expenses. Pfeiffer also admitted that during that time he falsely claimed itemized deductions for which he was not entitled, including fabricated charitable contributions and false claims for mileage on vehicles.

Pfeiffer was convicted of signing a false federal income tax return form on Feb. 3, 2005, for himself and his wife. Pfeiffer reported their total partnership income for the 2004 tax year as \$500 when, in fact, he knew that their partnership income was in the tens of thousands of dollars. He also admitted that all of his tax returns from 2002 to 2006 were fraudulent.

The sentencing guideline range in the case was 18-24 months. Federal prosecutors argued for a prison sentence and a stiff fine for Pfeiffer, noting that home confinement and community service was not an adequate punishment for his crimes.

“Like virtually every other person who commits this offense, Mr. Pfeiffer simply did not want to meet a basic obligation of citizenship because he preferred to keep the money for himself while benefitting from the protections and services provided to him by the federal government,” federal prosecutors said in a sentencing memorandum filed in the case.

In addition to the tax fraud, and as a part of a plan to prevent the IRS from discovering his fraud, he provided false and forged documents on several occasions to the IRS from 2006 through 2008 after learning the IRS was auditing his returns. This formed the basis of Pfeiffer’s conviction for making a false statement. Judge Stewart found that this conduct constituted obstruction of justice, which resulted in an enhanced sentence for Pfeiffer. In issuing his sentence, Judge Stewart noted the need to protect the public from others like Mr. Pfeiffer who may consider committing tax fraud.

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